



The Product Realization Company

FISCAL SECOND QUARTER 2017 FINANCIAL RESULTS

April 20, 2017

SAFE HARBOR & FAIR DISCLOSURE STATEMENT

Any statements made during our call today and information included in the supporting material that is not historical in nature, such as statements in the future tense and statements that include "believe," "expect," "intend," "plan," "anticipate," and similar terms and concepts, are forward-looking statements. Forward-looking statements are not guarantees since there are inherent difficulties in predicting future results, and actual results could differ materially from those expressed or implied in the forward-looking statements. For a list of factors that could cause actual results to differ materially from those discussed, please refer to the Company's periodic SEC filings, particularly the risk factors in our Form 10-K filing for the fiscal year ended October 1, 2016, and the Safe Harbor and Fair Disclosure statement in yesterday's press release.

Plexus provides non-GAAP supplemental information, such as ROIC, Economic Return, and free cash flow, because those measures are used for internal management goals and decision making, and because they provide additional insight into financial performance. In addition, management uses these and other non-GAAP measures, such as adjusted net income and adjusted operating margin, to provide a better understanding of core performance for purposes of period-to-period comparisons. For a full reconciliation of non-GAAP supplemental information please refer to yesterday's press release and our periodic SEC filings.

FISCAL SECOND QUARTER RESULTS

	Q2F17 Apr 1, 2017	Q2F17 Guidance Jan 18, 2017	Q1F17 Dec 31, 2016	Q2F17 vs. Q1F17
Revenue (\$ millions)	\$604	\$620 to \$650	\$635	- 5%
Diluted EPS	\$0.84	\$0.71 to \$0.79	\$0.82	+ 2%
ROIC	16.8%		17.3%	- 500 bps

- Strong operating performance delivered GAAP EPS above guidance range
- Revenue impacted by significant weakness within the Communications sector
- Healthcare/Life Sciences and Industrial/Commercial slightly below expectations
- ROIC of 16.8%; 630 bps of Economic Return

FISCAL THIRD QUARTER

	Q3F17 Guidance
Revenue	\$595 to \$625 million
GAAP Diluted EPS	\$0.68 to \$0.76 Includes \$0.13 stock-based compensation expense

Midpoint of revenue guidance suggests modest sequential growth

- Significant end-market weakness in Communications
- Forecast adjustment with an Industrial/Commercial customer
- Underlying growth within remainder of business

Midpoint of EPS guidance suggests continued strong operating margin

HIGHLIGHTS

- Delivered operating profit of \$32.6M
 - Slightly below record established in Q1F17
 - Operating margin of 5.4%, best since Q2F08
 - Fourth consecutive quarter at or above target operating margin range of 4.7% to 5.0%
- Return on Invested Capital of 16.8%
 - Economic Return 630 basis points above WACC
 - Well above 500 basis point Economic Return goal
 - Represents 570 basis point improvement from Q2F16
- Fiscal YTD free cash flow of \$91M
- Accelerating manufacturing wins momentum
 - \$202M wins within quarter
 - Trailing four quarter wins ratio of 32%
 - Share gains with 4 of top 5 customers
- Record \$3.0B funnel of qualified manufacturing opportunities
- Engineering delivered exceptional performance
- Strong engineering wins providing robust backlog

Solid performance leads to optimism for the future

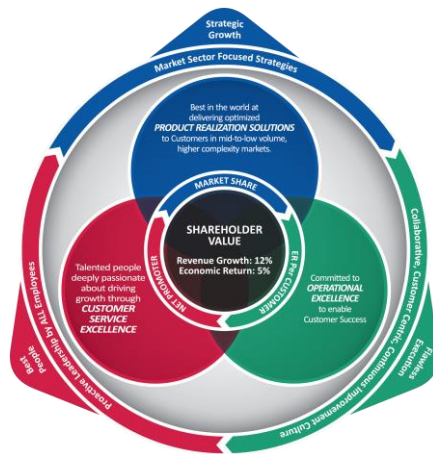
GROWTH ACCELERATION STRATEGY

Leverage positive reputation and strong Net Promoter Scores

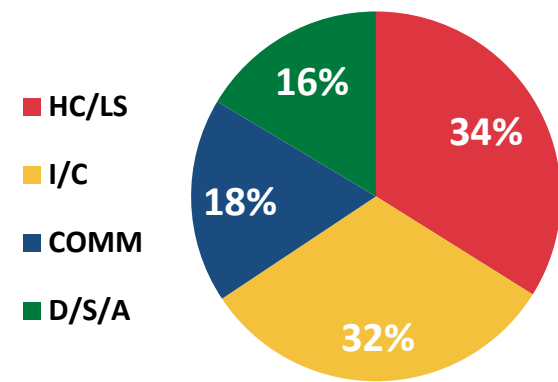
- Deliver Operational Excellence and Customer Service Excellence
- Leverage One Plexus mindset to drive consistency across the globe
- Grow share with existing customers

Differentiated portfolio aligned with non-commoditized markets

Deliberate focus and expertise in key end markets



Q2F17 Revenue

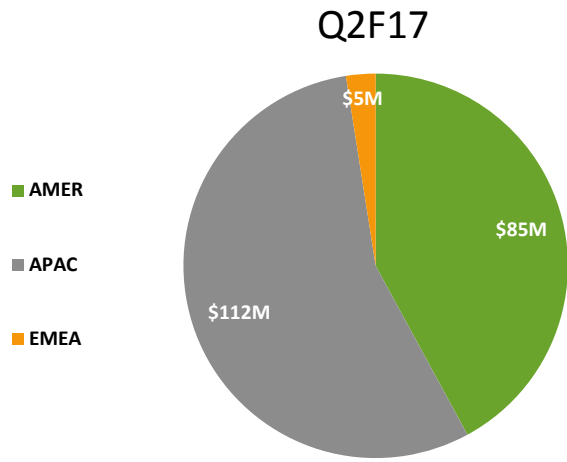


PERFORMANCE BY SECTOR

	Q2F17 Apr 1, 2017		Q1F17 Dec 31, 2016		Q2F17 vs. Q1F17	Q3F17 Expectations (percentage points)
Healthcare/ Life Sciences	\$205	34%	\$211	33%	- 3%	Up mid single
Industrial/ Commercial	\$192	32%	\$206	32%	- 7%	Flat
Communications	\$108	18%	\$131	21%	- 18%	Down low teens
Defense/ Security/ Aerospace	\$99	16%	\$87	14%	+ 14%	Up mid single
Total Revenue	\$604	100%	\$635	100%	- 5%	

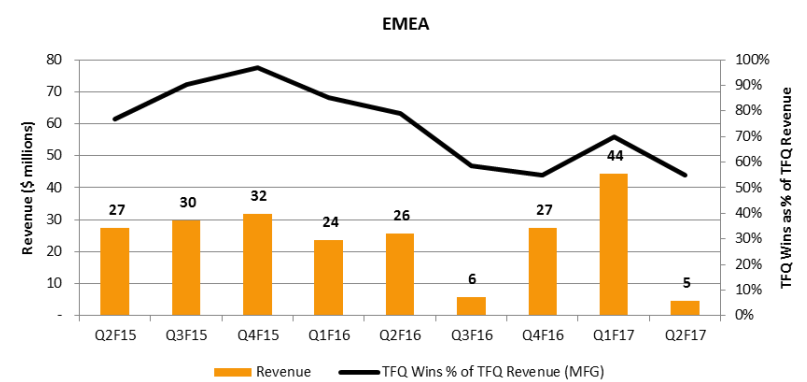
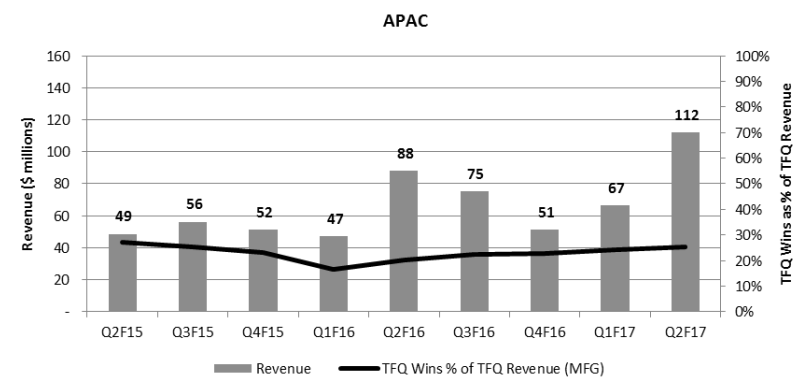
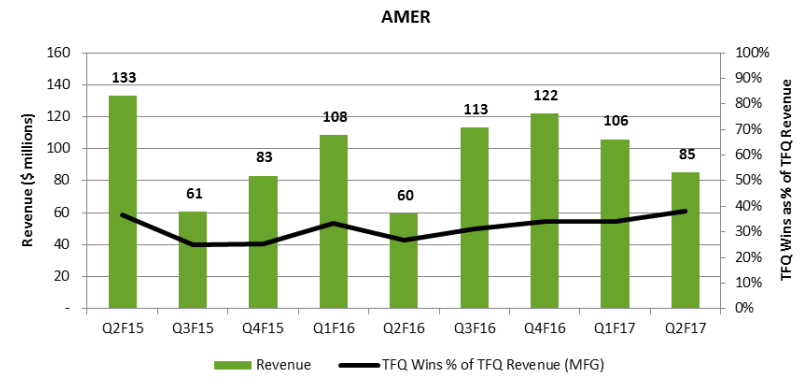
Revenue in millions

MANUFACTURING WINS BY REGION

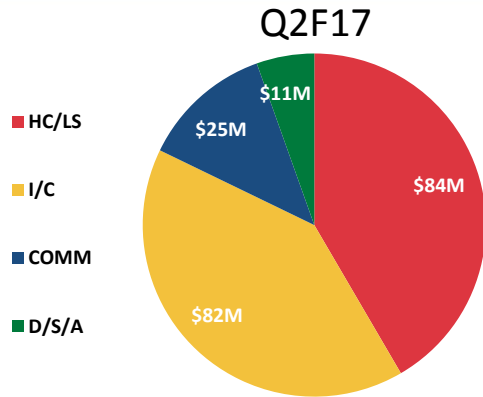


- \$202M in annualized manufacturing revenue when fully ramped (26 programs)
- Third consecutive quarter with wins greater than \$200M
- Strength in APAC and AMER regions

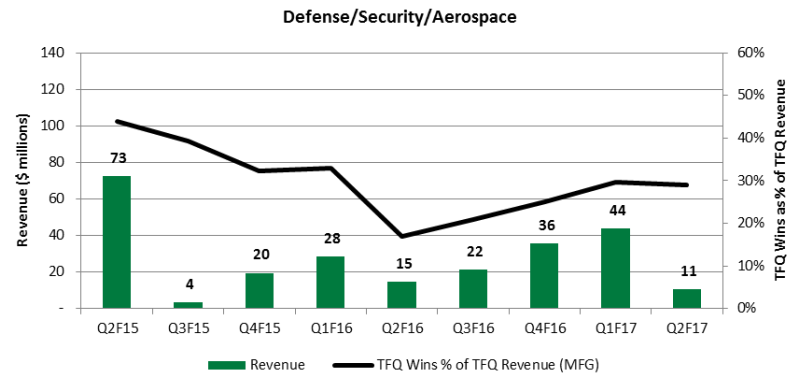
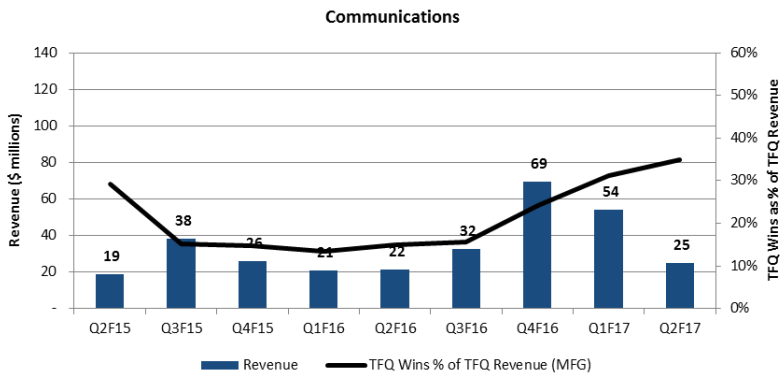
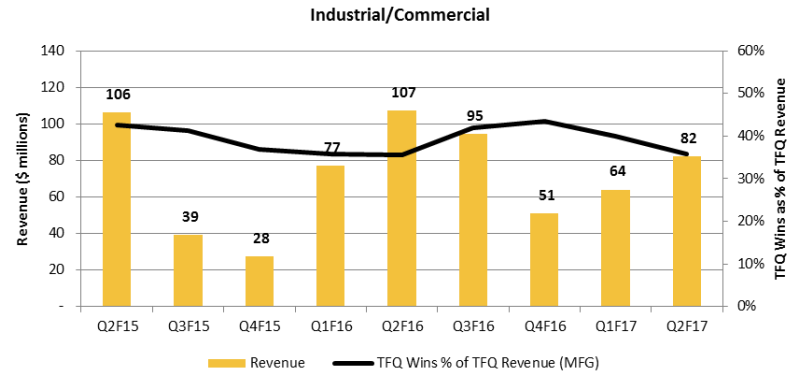
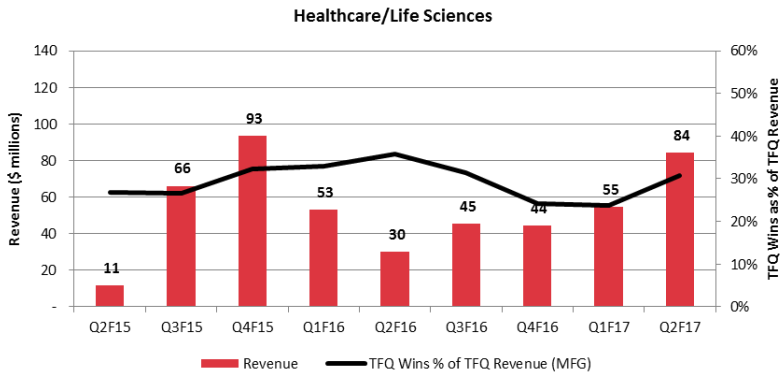
Wins Momentum = $TFQ\ Wins / TFQ\ Revenue$



MANUFACTURING WINS BY SECTOR



- Strength in HC/LS and I/C sectors
- Sector wins support healthy portfolio

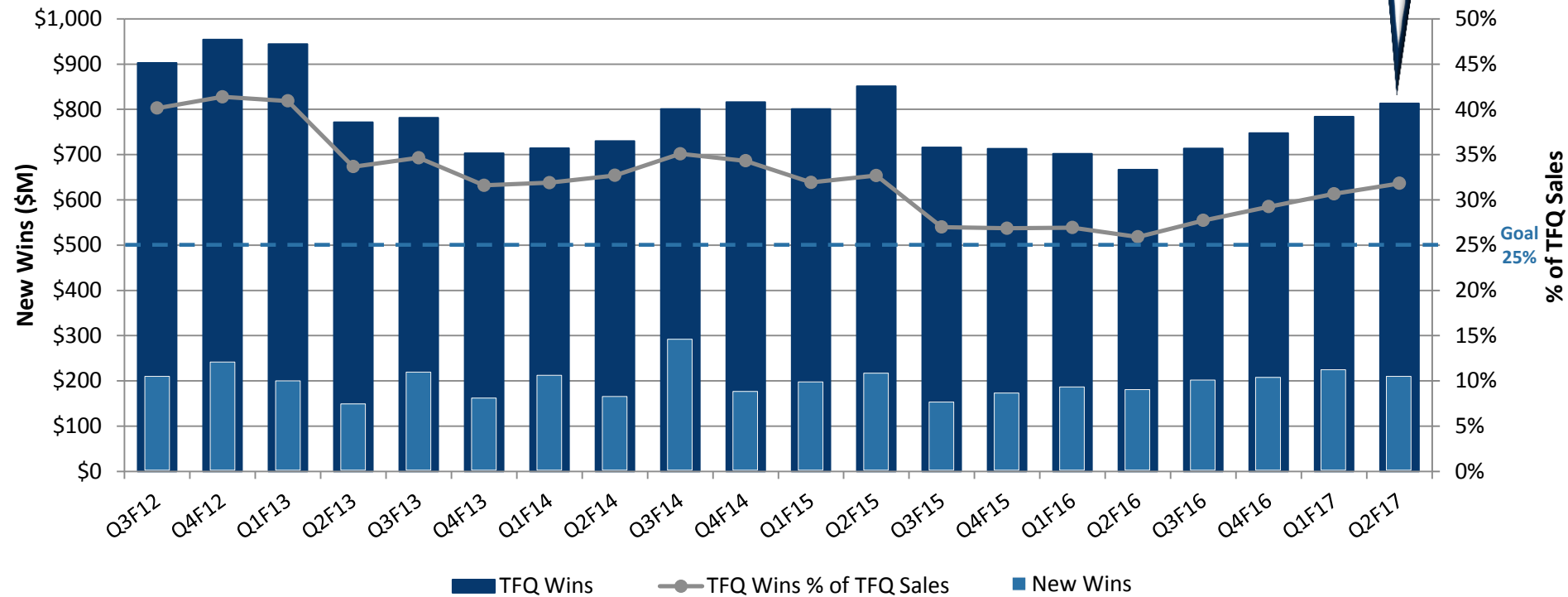


MANUFACTURING WINS MOMENTUM

Quarterly Target: ~ \$160M

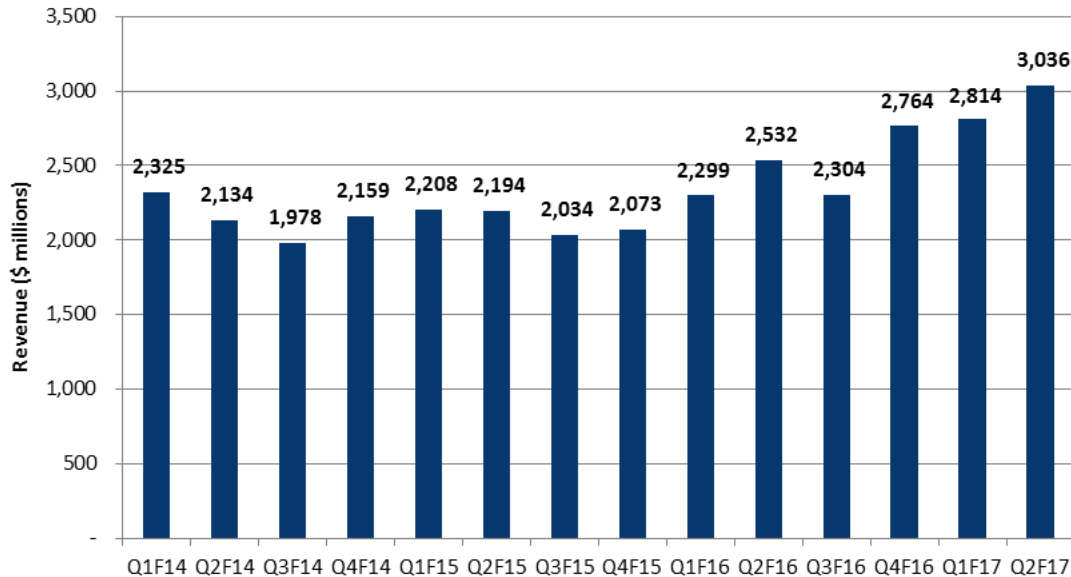
Trailing Four Quarters (TFQ) for Manufacturing Wins

TFQ
\$813M

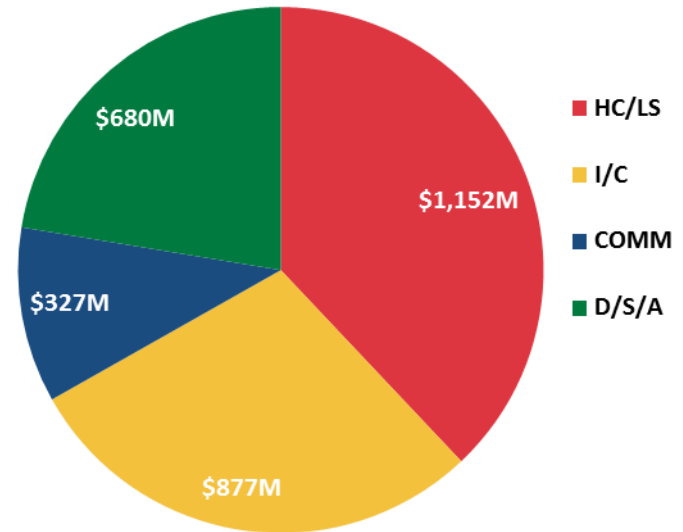


MANUFACTURING FUNNEL

PLXS-MFG Funnel of Opportunities



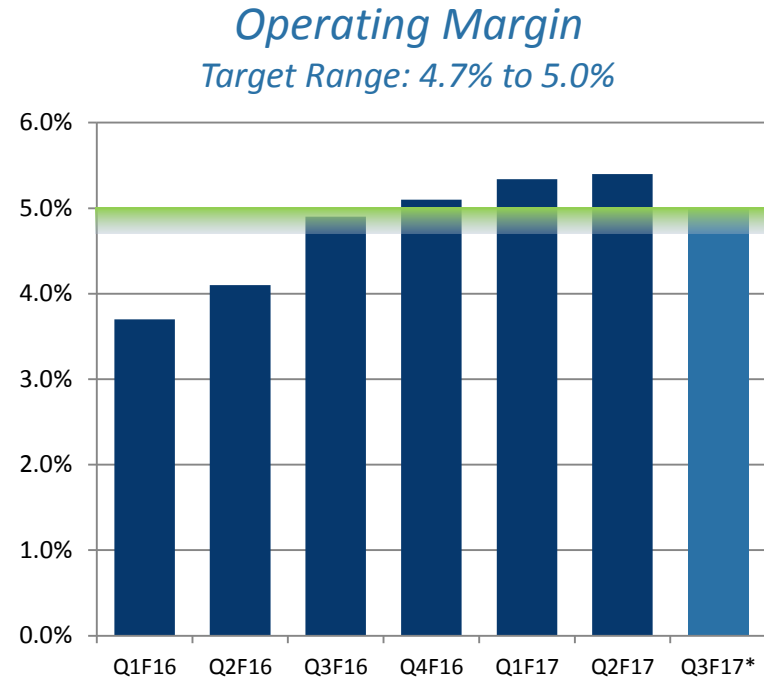
Q2F17



- Record manufacturing funnel at \$3.0B
- HC/LS and I/C funnels strong, with D/S/A funnel on upward trajectory
- Supports the delivery of our differentiated portfolio

OPERATIONAL PERFORMANCE

- Delivered strong operating margin of 5.4%
 - Continuous focus on productivity improvements
 - Exceptional Engineering Solutions performance
 - Favorable product mix
- Inventory at 103 days
 - Unusually high due to lower revenue
 - Supporting new program ramps
- High customer satisfaction
 - Delivering Operational Excellence and Customer Service Excellence
 - Enables wins and funnel growth
- Optimism for Growth
 - Third consecutive quarter of Wins in excess of \$200M
 - Engineering and transition teams busy with New Product Introductions



Strong execution delivers exceptional operating results

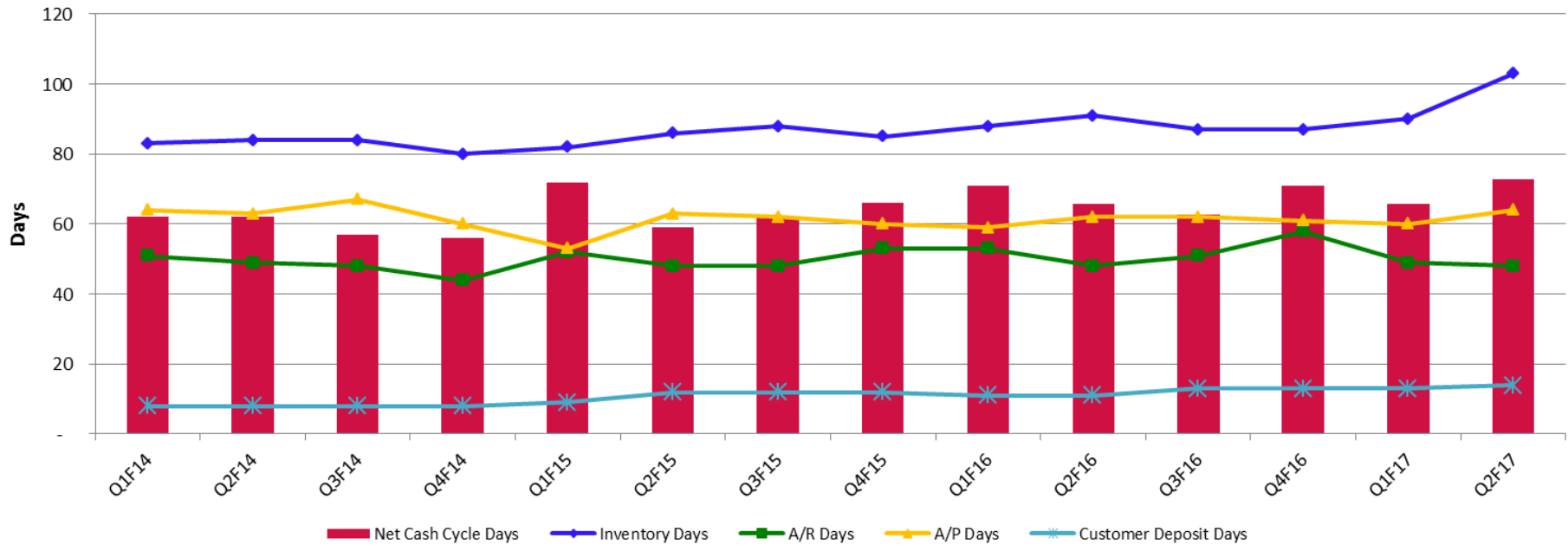
INCOME STATEMENT

	Q2F17	Comments
Revenue	\$604 million	Below guidance range of \$620 to \$650 million primarily due to weakness in the Communications sector
Gross margin	10.6%	Above guidance range of 9.8% to 10.1%; sequential improvement of 40 basis points
Selling & administrative expenses	\$31.2 million	Within guidance range of \$30.5 to \$31.5 million
Operating margin	5.4%	Above guidance range of 4.9% to 5.2%; 130 basis point improvement year-over-year
Diluted EPS	\$0.84	Five cents above top end of guidance range of \$0.71 to \$0.79

BALANCE SHEET AND CASH FLOWS

	Q2F17	Comments
Return on invested capital	16.8%	630 basis points above fiscal 2017 WACC of 10.5%
Share repurchases	\$6.8 million	~123,000 at an average price of \$55.61 per share
Free cash flow	\$18.5 million	Cash from operations: \$26 million Capital expenditures: \$8 million
Cash cycle days	73 days	Above guidance range of 65 to 69 days driven by higher inventory days

WORKING CAPITAL TRENDS



	Q1F14	Q2F14	Q3F14	Q4F14	Q1F15	Q2F15	Q3F15	Q4F15	Q1F16	Q2F16	Q3F16	Q4F16	Q1F17	Q2F17
Inventory Days	83	84	84	80	82	86	88	85	88	91	87	87	90	103
A/R Days	51	49	48	44	52	48	48	53	53	48	51	58	49	48
A/P Days	64	63	67	60	53	63	62	60	59	62	62	61	60	64
Customer Deposit Days	8	8	8	8	9	12	12	12	11	11	13	13	13	14
Net Cash Cycle Days	62	62	57	56	72	59	62	66	71	66	63	71	66	73

FISCAL THIRD QUARTER 2017 GUIDANCE

	Guidance
Revenue	\$595 to \$625 million
GAAP diluted EPS	\$0.68 to \$0.76
Gross margin	10.0% to 10.3%
SG&A	\$31 to \$32 million
Operating margin	4.8% to 5.2%
Depreciation	~\$11 million
Q3 tax rate	10% to 12%
F17 tax rate	8% to 10%
Cash cycle days	73 to 77 days
F17 capital expenditures	\$40 to \$50 million

Q&A

ANALYSTS PLEASE CONFORM TO:
ONE QUESTION
ONE FOLLOW-UP
THANKS

PLEXUS

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The Product Realization Company